Statement of Mandate 2015–2016

Finance and Treasury Board

NOVA SCOTIA

Department of Finance

and

Treasury Board

Statement of Mandate

2015 - 2016

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1. Message from the Minister

I am pleased to present the 2015-2016 Statement of Mandate for the Department of Finance and Treasury Board.

The Department of Finance and Treasury Board supports Government by establishing a sound fiscal plan and financial framework to support the priorities of Nova Scotia. The Department achieves this by providing financial leadership, administering a fiscal framework, monitoring the Government's expenses, overseeing the financial controls of the Province, regulating various financial service sectors, and by providing meaningful and transparent financial reporting to Nova Scotians.

In 2014-2015 government conducted a comprehensive review of Nova Scotia's tax regime. This year Finance and Treasury Board will play a key role in the implementation of tax policy changes to help better position Nova Scotia to deal with the demographic, fiscal and economic challenges we have identified. These tax changes will also include new regulations to implement the Capital Investment Tax Credit (CITC) approved by legislation in November 2014. The CITC will allow Government to incent larger capital investments in Nova Scotia through the tax system, rather than through direct grants.

Departmental responsibility to administer the *Pension Benefits Act* transferred to Finance and Treasury Board in September 2014. The Department has been very busy since September developing a new regulatory framework to ensure all Nova Scotians have access to a portable, private pension plan through Pooled Registered Pension Plan (PRPP) legislation, which received Royal Assent on November 20, 2014. The Province is working with the Federal Government and other participating provinces to develop an agreement and regulations to enable PRPPs to be offered in Nova Scotia in 2015. Additional work will continue in 2015-2016 to proclaim into force the *2011 Pension Benefits Act*, which will replace the current Act, and enact new regulations in 2015.

Finance and Treasury Board also plans to introduce new regulations under the *Liquor Control Act* to allow the importation of wine for personal use in Nova Scotia and to proceed with the introduction of new legislation to support the merger of the three professional accounting bodies in the province as Chartered Professional Accountants.

Through its activities and responsibilities, the Department supports government decision-making, from day-to-day operations to budget formulation. The work of the Department supports Government's priorities and their goal to help build a culture of innovation in Nova Scotia. The Department of Finance and Treasury Board relies on the dedication and expertise of its employees to achieve its objectives, and I would like to thank them for their ongoing efforts.

Honourable Diana Whalen
Minister of Finance and Treasury Board

Date: March 30/14

2. Department Mandate

The mandate of the Department of Finance and Treasury Board flows primarily from the *Finance Act* and the *Public Service Act*. Responsibilities which flow from these statutes include establishing a sound fiscal framework and financial control over public finances, providing meaningful, transparent financial reporting, including the provincial budget, forecasts and Public Accounts and providing horizontal leadership and strategic policy and expenditure analysis to Treasury and Policy Board, a committee of Cabinet. The Department is also responsible for the administration of several statutes which regulate financial services and other sectors including insurance, credit unions, pensions, securities and liquor control. These responsibilities are accomplished by providing professional services and support to the Minister, the Treasury and Policy Board and provincial government departments and entities.

The Department manages the debt of the Province, delivers financial, budgeting, accounting, fiscal and economic policy advice, and provides statistical services to help inform decision making across government and ensure the effective regulation of financial services and other sectors.

The Department also supports the Minister of Finance and Treasury Board in overseeing certain crown agencies for which the Minister is assigned responsibility, which include the Nova Scotia Liquor Corporation, the Nova Scotia Securities Commission, and the Credit Union Deposit Insurance Corporation.

Vision
A Nova Scotia with sound public finances.

Mission
To support a sustainable Nova Scotia through sound public finances, transparent accountability and financial reporting, and prudent financial management.

3. Strategic Objectives

The Department of Finance and Treasury Board's strategic objectives for the fiscal year 2015-2016 will help provide financial leadership and analysis to sustain a sound fiscal framework and financial control over public finances.

The strategic objectives of the Department of Finance and Treasury Board are as follows:

- **Sustain a sound fiscal framework**: The Department of Finance and Treasury Board supports the achievement of Government priorities by establishing the fiscal framework within which Government programs and services must operate. A sound fiscal framework is critical to the success of Government initiatives and relates to Government's priorities regarding fiscal sustainability.

- **Effective control of public finances**: The Department ensures extensive, ongoing support to government fiscal planning through research, analysis and consultation across the provincial government and with federal counterparts. The Department provides ongoing support and assistance to other departments and entities in financial, budgeting, accounting, fiscal, economic and statistical analysis to help ensure that the government's fiscal plan is being adhered to on a corporate level. The Department's management of the treasury functions for the Province, which includes cash and debt management, is done with a view to maximizing efficiencies and minimizing risks while keeping government's short-term needs and long term objectives in mind.

- **Transparent and accountable reporting of public finances**: The Department provides leadership on financial reporting, fully and fairly disclosing our financial position to the people of Nova Scotia and the investment community. The Department provides economic, statistical, and fiscal information to support corporate policy objectives and help create a climate that fosters private sector and social enterprise economic growth.

- **Effective advice to the Treasury and Policy Board and Government entities**: The Department provides broad economic, statistical, and financial information that serves to inform the policy and decision making of government. The Department provides economic and demographic statistics and forecasts used to build a sound fiscal framework that reflects the realities of our situation. Good financial management and fiscal prudence allows government to allocate government resources to important priorities for Nova Scotia.

- **Financial Services Regulation**: The Department also endeavours to efficiently and effectively regulate, in a manner helpful to business, several financial services sectors including insurance, credit unions, pensions and securities and also aspects of the liquor industry.

4. Performance Measurement

Outcome 1 – Sustain a sound fiscal framework

Outcome	Measure	Past Data	2015-2016 Target	Long term target	Strategic Actions to achieve target
Sustain a sound fiscal framework	1.1 Maintain or improve credit rating by major rating agencies	DBRS: "A (high)" (2015) S&P: "A+" (2015) Moody's: "Aa2" (2015)	Maintain or improve ratings	Maintain or improve ratings	Maintain commitment to balancing budget by 2018 and continue positive relations with investment community and ratings agencies
	1.2 Unqualified auditor's report on Revenue Estimates	Released Revenue Estimates with unqualified auditor's report on April 3, 2014 with the 2014-15 budget	Release Revenue Estimates with unqualified auditor's report in spring 2015 with the 2015-16 budget	Release with unqualified auditor's report on Revenue Estimates with the budget each spring	Advance planning and collaboration with other departments, entities and OAG; early problem and work load identification; adherence to PSAB standards

Outcome 2 – Effective control of public finances

Outcome	Measure	Past Data	2015-2016 Target	Long term target	Strategic Actions to achieve target
Effective control of public finances	2.1 Current and effective corporate management policies	None (new measure)	Review Management Manual policies older than 3 years to ensure effectiveness and update if necessary	Management Manual policies are reviewed and updated at least every 3 years.	Continue to respond to requests for information and advice in a timely fashion; use Executive Forum and Directors Forum to share information and best practice
	2.2 Debt Management – foreign currency risk exposure	2014-2015 Foreign currency exposure was under 20% (new measure)	Debt repayable in foreign currency for 2015 – 2016 will be 20% or less of portfolio	Maintain debt repayable in foreign currency to 20% or less of portfolio	1) Limit issuance of foreign currency bonds 2) Swap any foreign currency bond issues to Canadian dollars
	2.3 Debt Management – interest rate risk	2014-2015 Floating rate exposure was under $40 million (new measure)	Floating rate exposure for 2015-2016 will be under $40 million	Maintain debt levels with floating rate exposure to $40 million or under	1) Active management of debt portfolio and associated assets 2) Active management of short-term debt and floating rate exposure issuance

Outcome 3 – Transparent and accountable reporting of public finances

Outcome	Measure	Past Data	2015-2016 Target	Long term target	Strategic Actions to achieve target
Transparent and accountable reporting of public finances	3.1 Timely release of Public Accounts; Volume1 – Consolidated Financial Statements, Volume 2 – Agencies, and Volume 3 – Supplementary Information	July 31, 2014	Release Public Accounts Volumes 1, 2, & 3 on or before Sept. 30, 2015	Release Public Accounts Volumes 1, 2, & 3 on or before September of each year	Ongoing project planning
	3.2 Unqualified auditor's report on the Province's consolidated financial statements (Public Accounts Volume 1)	July 31, 2014	Unqualified auditor's report on the Province's consolidated financial statements for year ended March 31, 2015	Unqualified auditor's report on the Province's consolidated financial statements each year	Ongoing project planning
	3.3 Timely release of Budget Forecast Updates	Sept. 15, 2014 December 11, 2014	Release Budget Forecast Updates prior to Sept. 30 & Dec. 31, 2015	Release Budget Forecast Updates prior to September 30 and December 31 of each year	Work across government to support collection and analysis of information
	3.4 Timely release of Dept/PSO/ Crown Corp Accountability Reports	2013-2014 Accountability reports Released July 31, 2014	release final 2014-2015 Dept/PSO/ Crown Corp Accountability Reports on or before July 31, 2015	release Accountability Reports according to the deliverables and milestones specified for all departments	Ongoing project planning

Outcome 4 – Effective advice to the Treasury and Policy Board and Government entities

Outcome	Measure	Past Data	2015-2016 Target	Long term target	Strategic Actions to achieve target
Effective advice to the Treasury and Policy Board and Government entities	4.1 Client survey of quality, timeliness and relevance of advice and service from the Department in key policy and process areas	Worked to develop an effective client survey to help establish a benchmark	Complete a targeted client survey by March 31, 2016 to set a benchmark for client satisfaction and service perceptions	Maintain and improve client satisfaction and service perceptions	A targeted client survey will measure: - Executive Council and its Committees' service perceptions - Departmental client feedback regarding analysis and guidance

5. Budget Context

Finance and Treasury Board			
	2014-2015 Estimate	**2014-2015 Forecast**	**2015-2016 Estimate**
Program & Service Area	($thousands)	($thousands)	($thousands)
Program Expenses:			
Senior Management	3,854	3,791	4,734
Controller's Division	2,507	2,447	2,388
Treasury Board	2,238	2,142	2,943
Corporate Services Unit	1,384	1,248	1,005
Fiscal Economic Policy and Budgetary Planning	3,546	3,169	3,345
Total Program Expenses	13,529	12,797	14,415
Additional Information:			
Fees and Other Charges	(32)	(36)	(403)
Ordinary Recoveries	(0)	(6)	(0)
Provincial Funded Staff (FTEs) Net	110.4	104.2	108.7